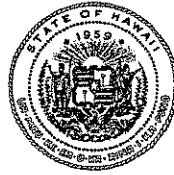


LINDA LINGLE
GOVERNOR



CARLITO P. CALIBOSO
CHAIRMAN

WAYNE H. KIMURA
COMMISSIONER

JANET E. KAWELO
COMMISSIONER

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

August 19, 2004

Department Of Commerce and Consumer Affairs
Division Of Consumer Advocacy
P. O. Box 541
Honolulu, Hawaii 96809

William E. Kennard
Paradise Mergersub, Inc.
c/o The Carlyle Group
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2505

Joel K. Matsunaga
GTE Corporation
Verizon Hawaii Inc.
Bell Atlantic Communications, Inc.
Verizon Select Services, Inc.
P. O. Box 2200
Honolulu, Hawaii 96841

Alan M. Oshima, Esq.
Michael H. Lau, Esq.
Kent D. Morihara, Esq.
Oshima Chun Fong & Chung LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813

Leslie Alan Ueoka, Esq.
Blane T. Yokota, Esq.
Verizon Corporate Services Group Inc.
P. O. Box 2200
Honolulu, Hawaii 96841

Stephen S. Melnikoff, Esq.
Regulatory Law Office
Office Of The Judge Advocate General
U.S. Army Litigation Center
901 N. Stuart Street, Suite 700
Arlington, Virginia 22203-1837

Herbert R. Takahashi, Esq.
Stanford H. Masui, Esq.
Danny J. Vasconcellos, Esq.
Rebecca L. Covert, Esq.
Takahashi, Masui, Vasconcellos & Covert
345 Queen Street, Room 506
Honolulu, Hawaii 96813

J. Douglas Ing, Esq.
Pamela J. Larson, Esq.
Watanabe Ing Kawashima & Komeiji LLP
First Hawaiian Center
999 Bishop Street, 23RD Floor
Honolulu, Hawaii 96813

Laura A. Mayhook, Esq.
J. Jeffrey Mayhook, Esq.
Mayhook Law, PLLC
34808 NE 14th Avenue
La Center, Washington 98629

Dear Parties:

Re: Docket No. 04-0140 -- Paradise MergerSub, Inc.; GTE Corporation; Verizon Hawaii Inc.;
Bell Atlantic Communications, Inc.; and Verizon Select Services Inc. for Approval of a Merger Transaction
and Related Matters.

The attached joint letter from Senator Ron Menor, Chair of the Senate Committee on Commerce and Consumer Protection and Housing and Representative Ken Hiraki, Chair of the House Committee on Consumer Protection and Commerce to Chairman Carlito P. Caliboso was filed with the Hawaii Public Utilities

Department Of Commerce and Consumer Affairs
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Laura A. Mayhook, Esq.

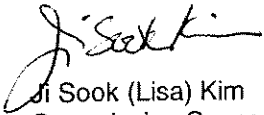
J. Jeffrey Mayhook, Esq.

August 19, 2004

Page 2

Commission on August 17, 2004. The letter is being forwarded to you pursuant to Hawaii Administrative Rules § 6-61-29(b).

Sincerely,



Ji Sook (Lisa) Kim
Commission Counsel

JSK:eh

Attachment



The Senate
State of Hawaii

STATE CAPITOL
HONOLULU, HAWAII 96813

August 13, 2004

PUBLIC UTILITIES
COMMISSION

2004 AUG 17 P 12:07

FILED

Mr. Carlito P. Caliboso
Chairman
State of Hawaii
Public Utilities Commission
465 South King Street
Kekuanaoa Building, Room 103
Honolulu, HI 96813

Dear Chairman Caliboso,

We are writing to express our concerns about the decision by the Hawaii State Public Utilities Commission (PUC) not to hold public hearings on the proposed \$1.65 billion sale of Verizon, our state's primary telecommunications company, to the Carlyle Group.

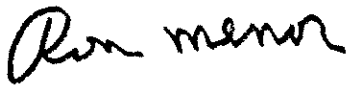
Although the PUC decision was in response to a request by the Hawaii State AFL-CIO on behalf of Local 1357 of the International Brotherhood of Electrical Workers, which represents most Verizon Hawaii employees, there is another, much larger group that has a great deal at stake. Hawaii's residential and business consumers of Verizon's local and long-distance telephone service, as well as Verizon Internet service, should be given the opportunity to state their concerns and hear their questions and those of their fellow consumers addressed in a public forum.

A public hearing provides an opportunity for members of the public to inform the commission, each other and the public at large through the news media about their issues relating to the change of ownership in a utility on which they depend for all types of communications, including emergency services. Any issues related to changes in cost, availability or quality of service should receive as much public exposure as possible and thrown open for discussion and deliberation. In our opinion, submitting comments for the review by PUC staff does not adequately fulfill this imperative.

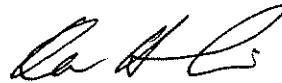
The fact that a public hearing is not required by law doesn't mean it's not needed. The PUC's decision should not, as stated by PUC Chief Counsel Nakagawa, be based solely on "the record submitted by the parties." Like members of the legislature, the first duty of commissioners and staff of the PUC is to the people of Hawaii who pay our salaries. For government to be credible and trusted, the public must feel confident that everything necessary is being done to ensure that essential services are protected. Government oversight may not be adequate if those charged with representing the public only do the minimum or what the force of law compels them to do.

For these reasons, we respectfully ask you to reconsider the decision in question and to move forward expeditiously with a public hearing at which all issues of concern to the universe of stakeholders in Hawaii's telecommunications industry can be aired. We will follow this communication with a personal call to learn of your response to our request on behalf of the committees that we chair. Thank you for considering our request.

Sincerely,



Senator Ron Menor
Chair
Senate Committee on Commerce,
Consumer Protection and Housing



Representative Ken Hiraki
Chair
House Committee on Consumer
Protection and Commerce